

Mitsubishi UFJ Financial Group

**Summary of 3rd Quarter results of
Fiscal Year Ending March 2008
(From April 2007 to December 2007)**

January 31, 2008

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its group companies (collectively, “the group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.

<Definition of Figures used in this document>



Consolidated

PL
items

After FY2005 H2 : Mitsubishi UFJ Financial Group (consolidated)
Up to FY2005 H1: Mitsubishi Tokyo Financial Group (consolidated) + UFJ Holdings (consolidated) (without other adjustments)

BS
items

After March 31, 2006: Mitsubishi UFJ Financial Group (consolidated)
Up to September 30, 2005: Mitsubishi Tokyo Financial Group (consolidated) + UFJ Holdings (consolidated) (without other adjustments)

Non-consolidated*

PL
items

After FY2006 H1: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
FY2005 H2: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + UFJ Bank (non-consolidated, October - December) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
Up to FY2005 H1: Bank of Tokyo-Mitsubishi (non-consolidated) + UFJ Bank (non-consolidated) + Mitsubishi Trust & Banking Corporation (non-consolidated) + UFJ Trust Bank (non-consolidated) (without other adjustments)

BS
items

After March 31, 2006: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
March 31, 2005: Bank of Tokyo-Mitsubishi (non-consolidated) + UFJ Bank (non-consolidated) + Mitsubishi Trust & Banking Corporation (non-consolidated) + UFJ Trust Bank (non-consolidated) (without other adjustments)

*Unless specifically stated otherwise figures do not include the separate subsidiaries.

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● Gross profits down ¥127.3bn on FY06 Q1-Q3

- Net interest income almost flat on FY06 Q1-Q3 -Net interest income on non-consolidated basis increased by ¥31.7bn on FY06 Q1-Q3 due to improvement in deposit/lending spread
- Net fees & commissions down due to decrease in investment banking revenue, etc.
- Approx. ¥55.0bn losses such as impairment losses on SIV investments were posted in net other business profits

● G&A expenses up ¥38.5bn on FY06 Q1-Q3

- Main causes of increase were integration costs and costs for strengthening compliance framework
- Expense ratio 61.5% (+4.3 points on FY06 Q1-Q3)
Non-consolidated expense ratio 58.5% (+4.1 points on FY06 Q1-Q3)

● Net income ¥314.6bn

● Credit related costs showed an expense of ¥334.4bn

- Provision for allowances for loan losses became net expenses from net reversal

Income statement (¥bn)

	FY06 Q1-Q3	FY07 Q1-Q3	Change
1 Gross profits (before credit costs for trust accounts)	2,687.2	2,559.9	(127.3)
2 Net interest income	1,379.8	1,385.9	6.1
3 Net fees and commissions	839.9	796.1	(43.8)
4 Net trading profits	207.9	256.7	48.8
5 Net other business profits	146.3	8.9	(137.4)
6 General and administrative expenses	1,535.9	1,574.5	38.5
7 Net business profits	1,151.3	985.4	(165.9)
8 Non-recurring gains (losses)	(187.2)	(331.7)	(144.5)
9 Ordinary profits	963.9	665.0	(298.9)
10 Net special gains (losses)	186.2	(32.9)	(219.2)
11 Net income	690.5	314.6	(375.8)
12 Credit related costs* ¹	6.7	(334.4)	(341.2)
13 Credit related costs* ¹ (sum of non-consolidated)	114.4	(186.7)	(301.2)

Negative numbers refer to costs or losses

*1 Credit related costs= Credit costs for trust accounts (included in Gross profits)
+Provision for formula allowance for loan losses + Credit related costs (included in non-recurring gains/losses) + Reversal of allowance for loan losses

Reference

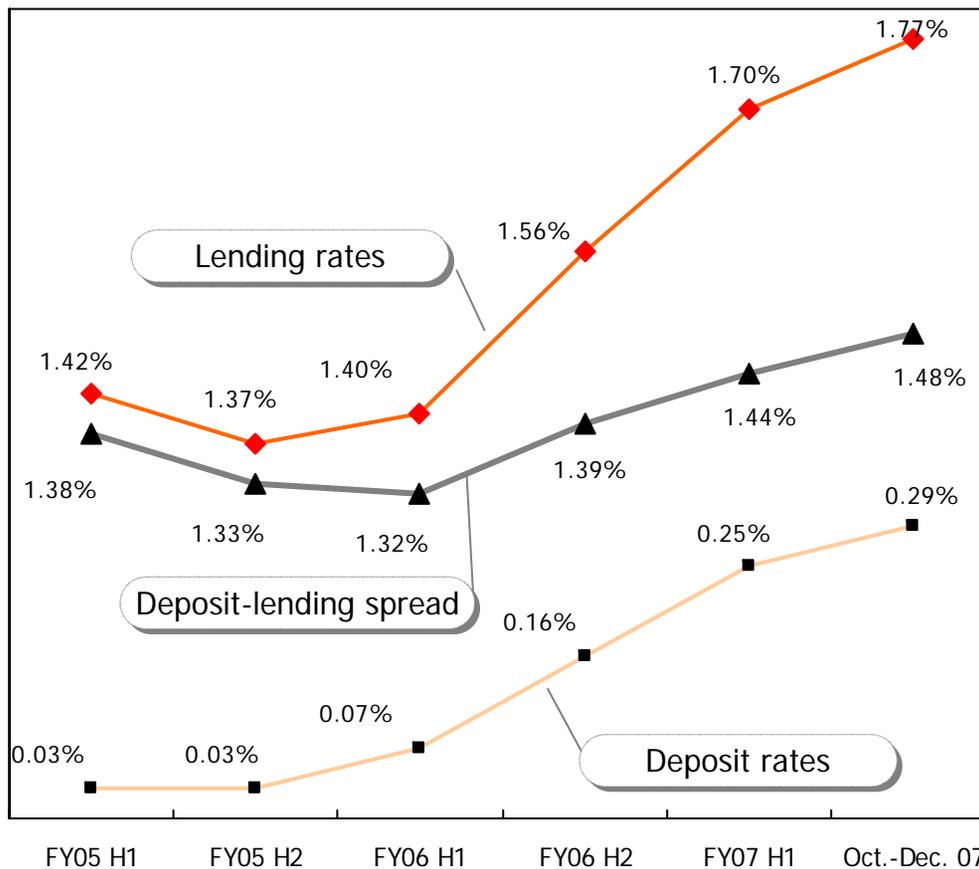
14 EPS (thousand of yen)* ²	67.2	29.8	(37.4)
15 ROE * ³	15.9%	6.6%	(9.3)points

*2 Earnings per 1 thousand shares for FY07 Q1-Q3

*3 Denominator of ROE does not include land revaluation excess and unrealized gains on securities available for sale

● Deposit-lending spread continued to improve

Changes in domestic deposit/lending rates (non-consolidated)



Recent interest rate changes

- July 18, 2006
Ordinary deposit rate
0.001% ⇒ 0.100%
- Aug. 10, 2006
Short-term prime rate
1.375% ⇒ 1.625%
- Oct. 1, 2006
Variable mortgage rate of new loans
2.375% ⇒ 2.625%
- Jan. 1, 2007
Variable mortgage rate of existing loans
2.375% ⇒ 2.625%
- Feb. 26, 2007
Ordinary deposit rate
0.100% ⇒ 0.200%
- Mar. 20, 2007
Short-term prime rate
1.625% ⇒ 1.875%
- Jul. 1, 2007
Variable mortgage rate of existing loans
2.625% ⇒ 2.875%
- Oct. 1, 2007
Variable mortgage rate of new loans
2.625% ⇒ 2.875%

- **Loan balance increased by ¥3.6tn from end Mar. 07**

- Overseas lending significantly increased
- Housing loans slightly down due to securitization

- **Deposit balance increased by ¥2.9tn from end Mar. 07**

- Individual deposits continued to grow

- **NPLs declined by ¥189.4bn from end Mar. 07**

- **Appraisal gains on available-for-sale securities decreased by ¥1tn (mainly equities)**

Balance sheet (¥bn)

	End Mar 07	End Dec 07	Change	End Sep 07
1 Loans (Banking + Trust accounts)	85,150.7 [84,831.9]	88,783.7 [88,507.4]	3,632.9 [3,675.5]	87,043.5 [86,751.0]
2 Loans (Banking accounts)				
Housing loans*1*2	17,190.1	17,051.4	(138.6)	17,013.2
3 Overseas loans*3	14,527.7	17,902.1	3,374.3	16,943.4
4 Investment securities (Banking accounts)	48,207.6	43,618.0	(4,589.5)	42,990.2
5 Deposits	118,708.6	121,610.7	2,902.0	117,630.8
6 Individual deposits (domestic branch)	60,858.3	62,884.2	2,025.9	61,408.7
7 FRL disclosed loans*1	1,325.8	1,136.4	(189.4)	1,179.4
8 NPL ratio*1	1.46%	1.21%	(0.25) points	1.29%
9 Available-for-sale securities - Appraisal difference	3,384.2	2,330.8	(1,053.3)	2,980.7

*1 Sum of non-consolidated + trust accounts

*2 Loan securitization (FY07Q1-Q3) : approx. ¥0.2 tn

*3 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)

Loans/Domestic deposits

● **Loan balance increased to ¥88.7tn**
 (up ¥3.6tn from end Mar. 2007
 up ¥1.7tn from end Sep. 2007)

Changes from end Sep. 2007:

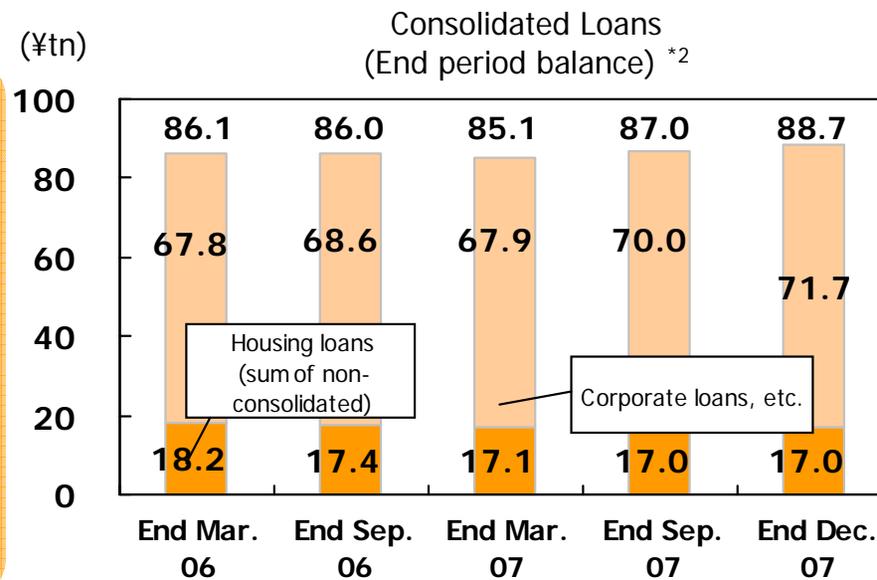
- Overseas lending*¹ +¥0.9tn
- Domestic large and medium
 corporate loans +¥0.9tn

*1 Overseas branches + UnionBanCal Corporation + BTMU (China)

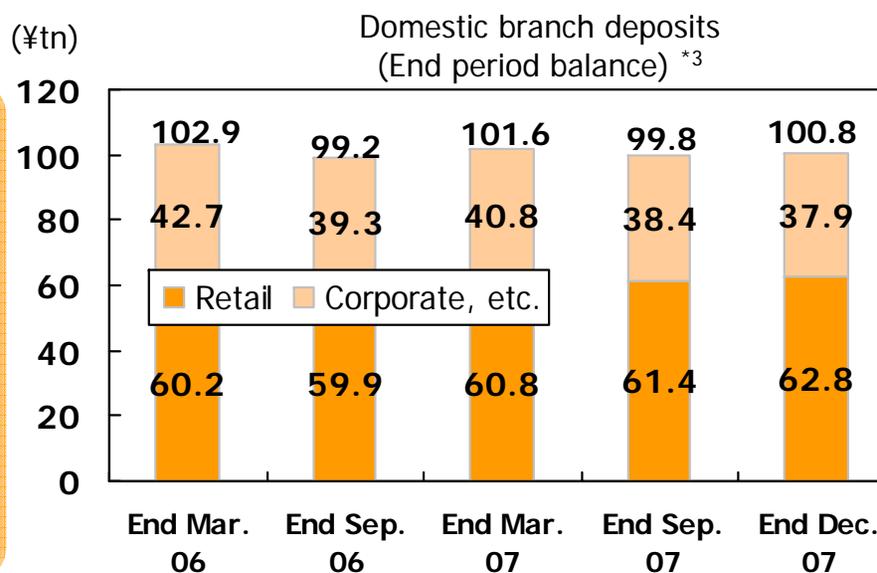
● **Domestic branch deposits ¥100.8tn**
 (down ¥0.8tn from end Mar. 2007
 up ¥1tn from end Sep. 2007)

Changes from end Sep. 2007:

- Retail deposits +¥1.4tn
- Corporate, etc. deposits -¥0.4tn



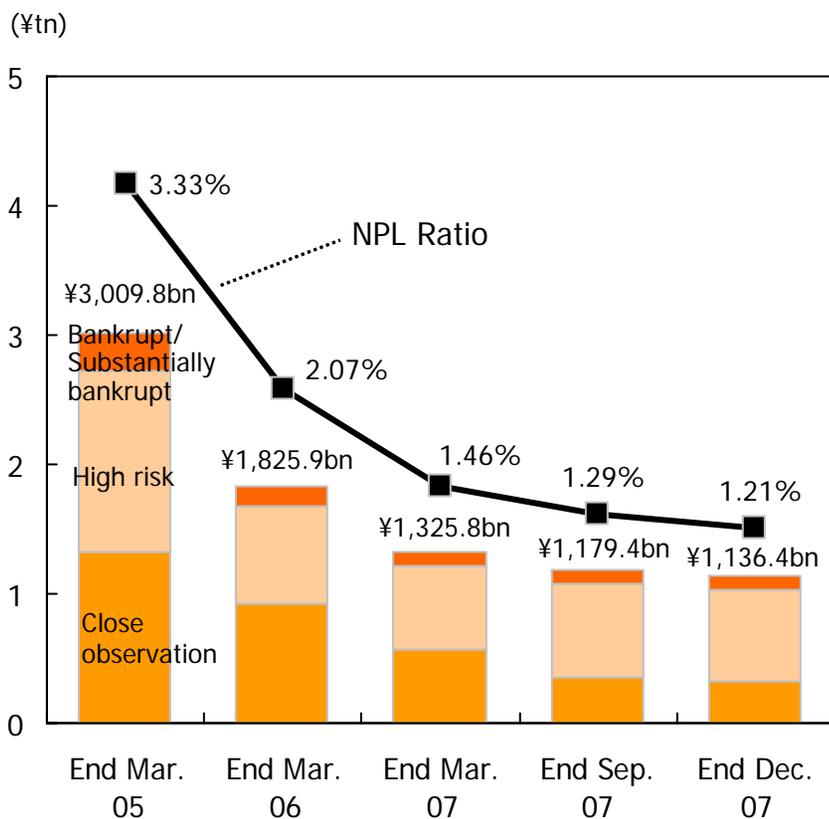
*² Sum of banking and trust accounts.



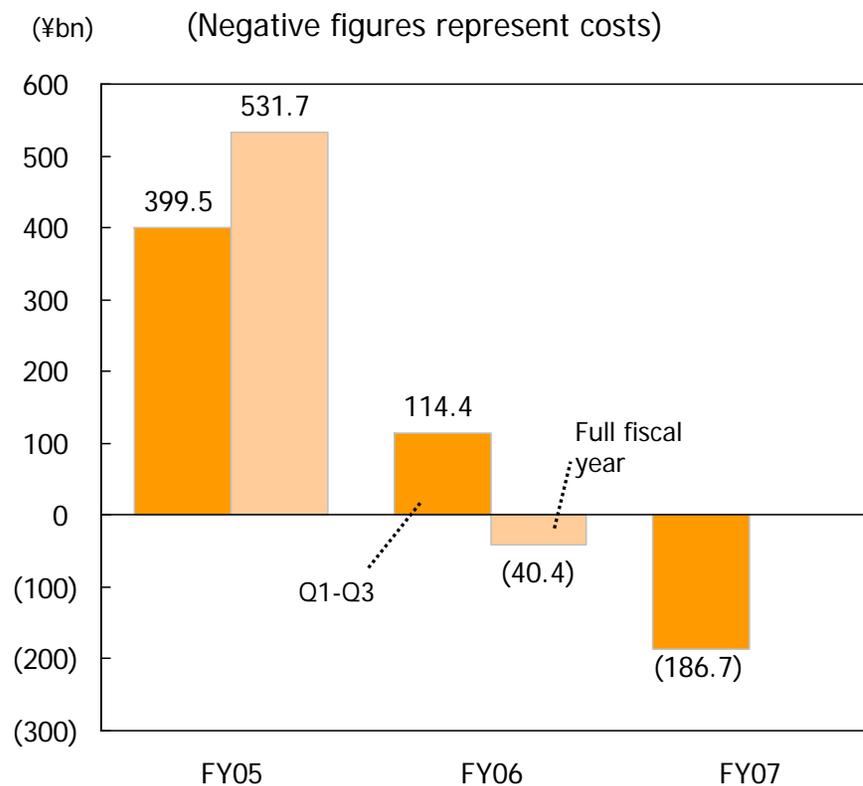
*³ Sum of non-consolidated, excluding negotiable deposits and special international financial transaction accounts.

- NPL ratio declined 0.07points from end Sep. 07 to 1.21%
- Credit related costs showed an expense of ¥186.7bn

Balance of FRL disclosed loans



Credit related costs



- The effect of the sub-prime issue on our P&L is approximately ¥55.0bn

Sub-prime related and SIV investments*1

(¥bn)

Sub-prime loan related investments (excluding SIVs)	End Sep 07	End Dec 07	Change
Impairment*2	(4.0)	(9.0)	(5.0)
Balance (after impairment)	259.0	243.0	(16.0)
Appraisal losses	(8.0)	(30.0)	(22.0)

Appraisal losses on SIVs that holds sub-prime loan related securitized products	(12.0)
Appraisal losses on sub-prime loan related investments (including SIVs)	(20.0)

(¥bn)

Investments in SIVs	End Sep 07	End Dec 07	Change
Losses on sales of SIVs	—	(2.0)	(2.0)
Impairment*2	—	(44.0)	(44.0)
Balance (after impairment)	89.0	39.0	(50.0)
Appraisal losses	(18.0)	(1.0)	17.0

(¥bn)

Sub-prime loan related investments + SIVs	End Sep 07	End Dec 07	Change
Realized losses*2	(4.0)	(55.0)	(51.0)
Appraisal losses	(26.0)	(31.0)	(5.0)

*1 Includes BTMU (including UBOC), MUTB and MUS; approximate figures; management accounts basis.

*2 Realized losses are sum of losses on sales and impairment losses. Impairment and realized losses are cumulative totals since April 2007.

Key points

- In the April-December period of 2007 our P&L was affected by sub-prime related and SIV losses of approx. ¥55.0bn. This was mainly due to impairment losses on SIVs
- As of the end of December 2007 appraisal losses on these investments were approx. ¥31.0bn
- Our balance of sub-prime related investments (excluding SIVs) at end Dec. 2007 declined to approx. ¥243.0bn (down approx. ¥16.0bn from end Sep. 2007) due to redemption, sales and other factors. Of this balance approx. 98% were securitized products backed by non-securitized assets and approx. 96% were AAA-rated (holdings of securitized products backed by securitized assets such as ABS-CDOs were minimal)
- Our balance of investment in SIVs declined to approx. ¥39.0bn due to impairment losses, etc. (down approx. ¥50.0bn from end Sep. 2007).

Investment securities and securitized products (Consolidated)



- **Unrealized Gains on available-for-sale securities approx. ¥2.3tn (down ¥0.6tn from end Sep. 07)**

Breakdown of available-for-sale securities

(¥bn)

	End Dec. 07	Unrealized gains (losses)	
			Change from end Sep. 07
Total	39,336.2	2,330.8	(649.8)
Domestic equity securities	6,776.1	2,386.9	(633.2)
Domestic bonds	17,367.0	(33.0)	45.8
Other securities	15,193.0	(23.0)	(62.4)
Foreign equity securities	280.3	144.5	13.1
Foreign bonds	9,295.5	(61.7)	25.3
Other	5,617.0	(105.8)	(100.9)

Summary of holdings of securitized products, etc.*1

- Considering substantial excess of deposits on balance sheet, MUFG holds securitized products for the purpose of diversifying investments as well as optimizing and diversifying of overall credit portfolio
- All securitized products, etc. are held in the **banking account**
- As a result of increase in CLO investments, balance of securitized products, etc. increased to **approx. ¥3.95tn (up approx. ¥0.3tn from end Sep. 2007)** which accounts for **2.0%** of overall balance sheet
- **Approx. 98%** of the total are securitized products backed by non-securitized assets
- **Approx. 80%** have AAA ratings
- Sub-prime related investments guaranteed by monoline insurers*2 is almost nil. We hold securitized products such as CLOs that are guaranteed by monoline insurers, but **nearly all of these are rated triple A without the monoline guarantee. We do not have any lending or credit derivative transactions with monoline insurers.**
- Market value evaluated using **quoted price** provided by Bloomberg, etc. (no product is evaluated using internal pricing model)

*1 Total of BTMU (incl. UBOC), MUTB and MUS on management accounts basis, after impairment, excluding agency bonds, structured bonds, etc.

*2 Total of BTMU (including UBOC), MUTB and MUS amounts insured by the eight major monoline insurers (MBIA, Ambac, FSA, FGIC, SCA, Assured Guaranty, CIFG, ACA)